

## **Assembly Bill No. 1643**

### **CHAPTER 724**

An act relating to public employee benefits.

[Approved by Governor September 29, 2006. Filed with  
Secretary of State September 29, 2006.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 1643, Jones. Public employees: long-term care.

The Public Employees' Long-Term Care Act authorizes the Board of Administration of the Public Employees' Retirement System to contract with carriers offering long-term care insurance plans. Active and retired members and annuitants of specified counties and public agencies, and certain relatives of those individuals, are authorized to enroll in those long-term care insurance plans if they meet eligibility and underwriting criteria.

This bill would require the California Institute on Human Services at Sonoma State University, with assistance from the Board of Administration of the Public Employees' Retirement System, to contract with an organization experienced in disability policy and demographic research to conduct a study concerning long-term care, as specified, and submit a report on the study to the Legislature by December 31, 2008.

*The people of the State of California do enact as follows:*

SECTION 1. (a) The California Institute on Human Services at Sonoma State University shall contract with an organization experienced in disability policy and demographic research to conduct a study to determine the feasibility of expanding the long-term care insurance program offered through the Public Employees' Retirement System pursuant to Section 21661 of the Government Code, to provide coverage to additional public employees and recent retirees with disabilities.

(b) The Board of Administration of the Public Employees' Retirement System shall assist the California Institute on Human Services in conducting the study by doing all of the following:

(1) Modifying the application form for the long-term care insurance program, or including an insert to be mailed out with the application, to ask individuals applying for coverage after January 1, 2007, if they are willing to consent to allow the board to share data provided on their application with state agencies or universities conducting research on ways to improve long-term care insurance coverage, policies, and procedures.

(2) Provide to the California Institute on Human Services or its contractor information supplied by applicants who are public employees or retirees and who grant consent pursuant to paragraph (1).

(3) Work with the California Institute on Human Services to agree upon a method by which the contractor selected by the institute shall survey public employees and retirees denied coverage by the long-term care insurance program prior to the effective date of this act; provided that the Committee for the Protection of Human Subjects within the California Health and Human Services Agency finds that the procedure complies with the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191) and other applicable laws protecting confidentiality of health-related data. The method selected shall be designed to minimize the workload for the staff of the board while providing the contractor with the ability to survey an adequate number of individuals at a reasonable cost.

(c) In conducting the study, the institute and the selected contractor shall do all of the following:

(1) Survey public employees and retirees denied long-term care coverage due to eligibility or underwriting criteria, who agree to participate, to determine whether they would be interested in participating in the long-term care insurance program, given various possible premium levels and possible restrictions on benefits. The institute shall determine the number of individuals to be surveyed to permit the study to yield valid and reliable results.

(2) Ask potential participants questions designed to gather information necessary for the study, including, but not limited to, whether they currently use personal care, whether they would do so immediately if provided coverage, or whether they reasonably expect to do so at various future intervals.

(3) Establish a task force to meet at least quarterly and advise the institute and the contractor on conduct of the study, questions to be included in the questionnaire, and preparation of a report to the Legislature. The task force shall include representatives of the Board of Administration of the Public Employees' Retirement System, the California Health and Human Services Agency, organizations of public employees with disabilities, organizations focusing on improving employment opportunities for persons with disabilities, experts on disability demographics and the long-term care needs of persons with disabilities, retirees, unions, and other interested parties.

(4) Submit a report to the Legislature by December 31, 2008, and include all of the following elements:

(A) The results of the survey of potential participants.

(B) The expected costs of providing coverage without underwriting criteria.

(C) The feasibility and desirability of various options, including, but not limited to, charging increased premiums for enrollees not subject to underwriting and imposing increased waiting periods for those not subject to underwriting.

(D) A proposal for a program that would maintain the financial stability of the plan while balancing the need to cover the maximum number of individuals with the fewest restrictions on coverage with the need to minimize increased premiums for those receiving the expanded coverage and for other enrollees.

(E) The extent to which the proposal might result in savings to public benefit programs by encouraging persons with disabilities to go to work, and eliminating the need for those persons to deplete assets to qualify for public benefits in order to obtain long-term care coverage after retirement.

(F) Other options for ensuring that persons now excluded from the long-term care insurance plan are able to obtain long-term services when needed and are not discouraged from seeking employment in order to continue receiving public benefits.

(d) The California Institute on Human Services and CalPERS shall only be required to undertake, or otherwise assist in, the completion of this study through the use of funds available from federal Medicaid Infrastructure Grant Number 91949, and not through a General Fund appropriation, or through the use of any funds managed or controlled by CalPERS. The use of these funds for this purpose is appropriate for the federal Medicaid Infrastructure Grant objective, and consistent with California's comprehensive strategy for the employment of people with disabilities, as set forth in Chapter 1088 of the Statutes of 2002.